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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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PLANNING TIME

During the last four years, farmers have closed their books on three seasons of unavoidable loss and one of some recovery. Now the books are opening again, apparently on a season when careful planning may play some part once more in deciding profits.

Agricultural policy is not settled by officials nor boards of directors. It is decided by six million individuals; shaped at this time of year, for the most part, while men do the daily round of chores or sit about quiet supper tables.

Apparently, there is more confidence in the position of certain leading farm products than has been true the last three years. For instance, the plans of the Cotton Belt seem to reflect a problem of production this year rather than prices. Corn growers also seem to have been sufficiently cheered by prices so that the talk is for acreage equal to or exceeding last year. The sheep industry is likewise optimistic; and the butter end of the dairy industry appears to feel that the import last year over the tariff of nearly 24 million pounds of butter leaves domestic producers some margin still for expansion. Even the hog producers by no means give the impression that conditions of this fall and winter have wholly upset their program.

Of course wheat growers are under the influence of a very difficult period. So, in some measure, are market milk producers in the East, likewise fruit growers in the Far West. Cattle men are still far from feeling good, although evidence is not lacking that the cattle situation may have actually turned the corner.

The annual estimates on the number of farm animals made as of January 1, show a slight increase in dairy cows since a year ago and a somewhat greater increase in sheep. Beef cattle and hogs decreased somewhat. But the changes have not been great. If the present heavy inventory of animals represents, in some sense, a surplus of feed crops carried over since 1920-21, it becomes a problem, especially in the Corn Belt, whether increase in grain production this year would help meet a current market or necessitate another swing back toward more meat animals.

Whatever direction plans take, however, the time to make them is at hand. Men and teams will be out upon the land within another month. Whether the books will be closed again upon a season of further recovery may depend somewhat on how thoroughly individuals are now able to think their affairs way through to harvest time.

KEY REGIONS AT A GLANCE

THE EAST - Profited by the generally open winter. Movement of products and farm work under less than usual handicap. Milk market situation remains confused and difficult. Milk prices unsatisfactory. Reports indicate fewer heifer calves being saved this winter. Potatoes been moving into cars at around 75¢ a bushel, cabbage around \$20 a ton, etc.

THE SOUTH - Handicapped by alternating warm weather and severe cold waves. Truck crops and citrus fruits in Gulf territory retarded and damaged by rain and freezes. General talk indicates material increase in cotton acreage this spring.

CORN BELT - Movement of hogs to market continued on the expected heavy scale. Grain movement, as well as outside farm work, favored by the generally mild weather. Considerable talk of poor quality corn and effect on seed situation. Estimates of January 1 showed moderate decrease in swine compared with year ago.

WHEAT BELT - Frequent report of damage to winter wheat by freezing. General activity at low ebb through Belt proper. Cumulative evidence of distress in spring wheat territory; bank failures and bankruptcies; keen interest in possible Governmental relief action.

RANGE COUNTRY - Stock reported in fairly good condition throughout range territory. High country experienced some heavy snow and severe weather. Feed supplies generally ample, however. Still many echoes of depression in cattle industry although an occasional hopeful note begins to come from certain of the stronger interests.

PACIFIC COAST - Grain growth retarded by drouth and cold. Valentinia oranges in San Joaquin Valley reported 50 to 75% loss from freeze. Winter pastures poor with consequent effect on condition of range cattle and sheep. Lambing well along in interior valleys. Lambs being killed in some localities on account of grass shortage. Interest among northwest apple growers in a large cooperative marketing organization.

TREND OF LIVESTOCK PRODUCTION

The following shows the number of farm animals in the United States according to the estimate made as of January 1 each year.

(Figures given in terms of thousands, last three ciphers being omitted):

	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>	<u>1924</u>
Horses	19,766	19,208	19,056	18,627	18,263
Mules	5,427	5,455	5,467	5,485	5,436
Milk cows	23,722	23,594	24,082	24,437	24,675
Other cattle	43,398	41,993	41,977	42,803	42,126
Sheep	39,025	37,452	36,327	37,223	38,361
Swine	59,344	56,097	58,127	68,227	65,301

Horses have been slowly decreasing in number for several years. Milk cows increased slightly (1%) last year; other cattle decreased slightly (1.6%); sheep increased 3.1%; swine decreased 4.3% as compared with a year ago.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending January 1, 1924.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	<u>Dec.</u> <u>1913</u>	<u>Dec.</u> <u>1922</u>	<u>Nov.</u> <u>1923</u>	<u>Dec.</u> <u>1923</u>
Cotton, per lb.	¢ 11.7	24.5	31.0	32.1
Corn, per bu.	¢ 69.6	69.6	72.7	72.2
Wheat, per bu.	¢ 81.0	105.6	92.3	94.5
Hay, per ton	\$ 11.70	11.84	13.05	13.15
Potatoes, per bu.	¢ 68.4	59.3	82.3	81.5
Oats, per bu.	¢ 39.1	41.2	41.5	42.6
Apples, per bu.	¢ 107.1	114.8	102.2	114.0
Beef cattle, per 100 lbs.	\$ 6.04	5.51	5.23	5.26
Hogs, per 100 lbs.	\$ 7.45	7.77	6.66	6.39
Eggs, per dozen	¢ 30.7	44.2	47.8	45.5
Butter, per lb.	¢ 29.2	43.8	45.7	45.8
Wool, per lb.	¢ 15.7	35.3	36.4	36.2
Veal calves, per 100 lbs.	\$ 7.89	8.05	7.85	7.75
Lambs, per 100 lbs.	\$ 6.16	10.69	10.01	10.10

The month's trend was slightly upward in case of most crops, downward in case of the animal products. This is not an unusual trend at this season.

Products higher than the general price level included: cotton, eggs, wool and butter. Products below the general price level included potatoes, corn, wheat, hay, beef cattle, hogs.

PRICE INDEXES FOR MONTH ENDING JANUARY 1, 1924.

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>Dec.</u> <u>1922</u>	<u>Nov.</u> <u>1923</u>	<u>Dec.</u> <u>1923</u>	<u>Month</u> <u>Trend</u>
Cotton	197	250	259	Higher
Corn	117	122	122	Same
Wheat	135	118	121	Higher
Hay	107	118	120	Higher
Potatoes	92	128	127	Lower
Beef cattle	93	89	89	Same
Hogs	104	89	85	Lower
Eggs	229	248	236	Lower
Butter	162	169	170	Higher
Wool	211	218	217	Lower

Commodity Groups

(Wholesale Prices)

	<u>Dec.</u> <u>1922</u>	<u>Nov.</u> <u>1923</u>	<u>Dec.</u> <u>1923</u>	<u>Month</u> <u>Trend</u>
Farm products	145	146	145	Lower
Food, etc.	144	148	147	Lower
Cloths & clothing	194	201	203	Higher
Fuel & lighting	216	167	162	Lower
Metal & met. products	131	141	142	Higher
Bldg. materials	185	181	178	Lower
Chemicals, etc.	130	130	130	Same
House-furnishing goods	182	176	176	Same
<u>ALL COMMODITIES</u>	156	152	151	<u>SLIGHTLY LOWER</u>

RELATIVE PURCHASING POWER

(At December 1923 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All comodities	171	81	80	80	84
Cloths, etc.	128	60	60	59	63
Fuel, etc.	160	75	75	74	78
Metals, etc.	182	86	85	85	89
Bldg. materials	146	69	68	67	71
House-furnishing goods	147	69	69	68	72

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	59	56	156	113	144
Cloths, etc.	44	42	111	84	107
Fuel, etc.	55	52	146	105	134
Metals, etc.	63	60	166	120	153
Bldg. materials	50	48	133	96	122
House-furnishing goods	51	48	134	97	123

The only material change in indicated purchasing power in the crop group was an increase in cotton.

Among the livestock products, the chief changes were declines in hogs and eggs. Butter advanced slightly over previous month.

December again repeated the story of two previous months: Livestock products declining proportionally so much as to prevent improvement in general purchasing power of farm products as a whole.

SUMMARY OF PRICE INDEX NUMBERS

1913 = 100

In the following, farm price indexes are compiled by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of farm products and wholesale prices of non-agricultural products, unit quantities being considered in each case.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
1923	136	103	120	154	167	72
1922						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
1923						
January	126	106	116	156	170	68
February	130	107	118	157	172	69
March	134	106	120	159	175	69
April	139	107	123	159	176	70
May	140	105	123	156	172	71
June	139	100	120	153	168	71
July	136	102	119	151	165	72
August	136	102	119	150	163	73
September	138	109	123	154	164	75
October	139	103	121	153	161	75
November	137	97	117	152	160	73
December	137	94	116	151	158	73

* "All commodities", excluding farm products and food.

Expressed in terms of non-agricultural commodities

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 Jan.	17,911	46,537	4,278	1,628	1,835	34,886
" Feb.	21,851	59,558	3,613	1,416	1,400	32,547
" Mar.	19,047	33,930	3,411	1,622	1,465	37,790
" Apr.	12,544	13,188	3,067	1,470	1,227	35,228
" May	28,204	21,965	3,737	1,878	1,692	57,045
" June	18,402	35,281	3,776	1,759	1,700	78,773
" July	41,019	22,475	2,980	1,710	1,677	65,264
" Aug.	59,694	24,708	3,037	2,149	1,951	51,253
" Sept.	57,839	31,123	3,062	2,397	2,303	38,782
" Oct.	49,097	28,651	3,682	2,936	3,311	34,622
" Nov.	41,496	23,037	4,421	2,427	2,287	31,809
" Dec.	46,002	38,145	5,004	1,825	1,516	32,602
" 12 mos.	413,106	378,598	44,067	23,218	22,364	530,601
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept.	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
" 12 mos.	386,430	271,858	55,330	23,211	22,025	549,207

Wheat and corn movement of 1923 lighter than year before.

Hog movement much heavier.

Cattle and sheep practically same in 1923 as previous year.

Butter receipts somewhat heavier.

Note: The returns shown were from 11 markets in case of wheat prior to July, 1922, and in case of corn prior to November, 1922. Later months are from 13 markets for both wheat and corn.

THE TREND OF EXPORT MOVEMENT

Compiled from Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1922 January	15,010	32,265	48,120	73,194	55,807	476
" February	10,992	25,845	56,003	75,520	62,659	339
" March	14,374	32,967	54,763	64,377	62,256	462
" April	10,449	40,190	43,254	42,459	48,893	598
" May	14,267	39,844	44,058	50,817	50,201	469
" June	18,200	30,324	55,621	57,249	64,139	491
" July	19,124	32,319	59,252	66,058	67,900	373
" August	38,964	28,958	51,353	68,907	60,454	273
" September	31,839	33,102	51,039	61,120	60,871	368
" October	25,077	58,353	50,940	66,332	60,696	799
" November	17,578	39,787	51,407	62,321	63,371	858
" December	16,428	36,954	65,642	78,596	76,871	608
1922 12 mos.	232,302	430,908	631,452	766,950	734,118	6,114
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,605	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
" September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,949	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	12,991	49,270	76,263	98,578	89,890	846
1923 12 mos.	171,919	474,500	828,890	1,035,382	958,475	5,279

The export story of 1923 was a lighter movement of wheat and cotton but a much heavier movement of pork, lard and total meats.

* Includes fresh, canned and pickled beef, bacons, hams and shoulders, fresh, canned, and pickled pork, mutton and lamb.

Includes linters.

THE COLD STORAGE SITUATION

Jan. 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5 Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>Jan. 1, 1924.</u>
Creamery butter, lbs.	46	27	52	30
American cheese, lbs.	34	34	55	50
Case eggs, cases	1	1.3	4	1.9
Total poultry, lbs.	96	100	63	94
Total beef, lbs.	196	116	93	106
Total pork, lbs.	568	571	577	707
Lard, lbs.	65	49	35	50
Lamb & Mutton, lbs.	20	5	2	2.5
Total meats, lbs.	871	754	740	899
Apples, bbls.	5.6	6.5	10	9.6

Storage holdings of dairy products and eggs decreased further during December. Meats went into storage. This is the natural seasonal condition.

Compared with the average situation this date, stocks are low in case of butter, beef, lard and mutton; high in case of pork, apples and eggs.

Most of the storage holdings of boxed apples are in the central or eastern States while barreled apples are in middle Atlantic States, indicating rapid movement of supplies nearer to consuming centers.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1922 Dec.	1923 Nov.	1923 Dec.	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	99	96	94	Decrease
Bituminous coal (Millions tons)	46	43	40	Decrease
Automobiles produced (Thousands)	208	285	275	Decrease
CONSUMPTION				
Cotton by mills (Thou. bales)	529	532	462	Decrease
Unfilled orders Steel Corp. (Thou. T.)	6,746	4,369	4,445	Increase
Building contracts (Millions dollars)	215	289	268	Decrease
Hogs slaughtered (Thousands)	3,360	3,657	3,919	Increase
Cattle "	997	1,106	1,018	Decrease
Sheep "	820	777	837	Increase
MOVEMENTS				
Bank clearing (N.Y.) (Billions dollars)	19	18	19	Increase
Mail order sales (Millions dollars)	32	35	36	Increase
Men employed, 1428 firms (Thousands)	1,877	2,016	1,986	Decrease
Interest rate, Coml. Paper (60-90D)	4.63	5.10	4.97	Decline
Retail Food Price Index (Dept. Labor)	147	151	150	Lower
Wholesale Price Index (Dept. Labor)	156	152	151	Lower

Business is still heavy, although production has fallen off somewhat in late weeks and there is a cautious note underlying certain lines. Money is easy; the securities markets have been very strong; employment continues heavy, wages high; prices in general comparatively stable.

As regards the relationship of industrial conditions to farming, the outlook continues to indicate urban competition for labor, relatively high prices on manufactured articles, but good demand for farm products, through spring at least.

THE DAIRY MARKET SITUATION

L. M. Davis, Division of Dairy and Poultry Marketing, B. A. E.

A glance at the dairy situation during 1923 reveals a number of conditions which are of more than passing interest. On the whole, it seems to be generally agreed that dairying was a profitable venture, particularly so as compared with certain other lines of agricultural production, and this may be attributed very largely to what is probably the most outstanding element of influence, a generally active demand for dairy products.

Butter, which reflects pretty well the real tone of dairy markets over a long period, was more or less consistently in a strong position, especially during the latter part of the year, maintaining this despite the influence of factors which except for an active demand would have broken markets early in the season. As a matter of fact, the main difficulty appears to have been that of keeping a consuming demand satisfied. It is true that here and there the market was spotted and a little slow, but butter of marketable quality has been good property right along. This condition can be attributed to nothing except an active domestic demand, for export trade in butter during the year was practically nil.

From statistics which are available it appears that domestic production of butter during 1923 was about four per cent greater than 1922. If such an assumption is correct, this increase alone amounted to around 50,000,000 pounds. But, supplementing domestic production were heavy imports, some 23,700,000 pounds as compared with less than 9,000,000 in 1922. The 1923 exports of butter were light, being approximately 6,000,000 pounds as compared with some 11,000,000 pounds in 1922, a decrease of 5,000,000 pounds. Stocks in cold storage were about the same at the close as at the beginning of 1923. Roughly speaking, therefore, domestic demand absorbed approximately 70,000,000 pounds more creamery butter in 1923 than in 1922.

This heavy increase in consumption is the more remarkable when prices are considered. The average of wholesale price on 92 score butter at New York, for example, for 1922, was 40.7¢, and for 1923 was 46.8¢. Despite materially higher prices, however, there was a sufficiently heavy demand to readily absorb all available supplies of marketable quality foreign as well as domestic.

Some of the other important manufactured dairy products however, failed to share in the same favorable outlets that featured butter markets. Canned milk is in this group. While the year closed with condensed and evaporated milk markets working toward a slightly firmer position, they were burdened with stocks close to three times heavier than those at the beginning of the year. This accumulation increased

steadily from month to month following flush production. Here, again, lack of export outlets resulted in markets becoming almost demoralized at times. Favorable butter markets proved to be life savers for condensed manufacturers, many of whom made a concerted effort to curtail production during those parts of the year when markets showed a tendency to become draggy. Much of the export business which American manufacturers had enjoyed was yielded to European manufacturers who were able to compete successfully at lower prices. While from the standpoint of volume no large quantities of condensed milk were imported into the United States the fact that European manufacturers were at times able to lay down goods in this country, duty paid, at prices which represented real competition with domestic manufacturers, offers some evidence as to why our export outlets became restricted. Temporary relief which came to canned milk markets at the close of 1923 was a resumption on a small scale of buying for European relief purposes and the change in the tone of the market due to these purchases is evidence of the influence exerted by export trade, even if of moderate volume.

Cheese markets were hard to understand during the latter part of 1923. Without authoritative statistics showing production, it is quite certain, as indicated by weekly receipts at Wisconsin warehouse points, that the 1923 production in Wisconsin, where two-thirds of our cheese is produced, was close to 9 per cent heavier than 1922. But cheese did not move readily, and since September 1, when storage holdings reached their peak of 63,330,000 pounds, 10,000,000 heavier than on the same date in 1922, there has been a slow outward movement, so that January 1 rolled around to find a reduction of but slightly more than 12,500,000 pounds. In 1922, the September to January reduction was over 20,000,000 pounds. The result of this slow movement is that cheese holdings of 50,791,000 pounds January 1, were over 17,000,000 pounds heavier than January 1, 1922. These facts explain in part the shaky cheese markets and the downward tendency of cheese prices beginning early in October.

Fluid milk markets, particularly in the eastern section of the country, followed rather unusual courses towards the close of the year. This was apparently very largely due to the manner in which production held up under the influence of mild weather during the fall and early winter. Prices were higher than in 1922, but did not follow at all the usual tendency of prices during that portion of the year. In 1922, December prices to producers averaged \$2.67 per cwt., an advance over the September, 1922 price of approximately 40¢. The December, 1923 price averaged \$2.89, but represented an advance over the September price of only about 20¢. In the territories supplying a number of the large eastern cities where price adjustments were more frequent than elsewhere, occasional changes were brought about through competitive conditions.

THE HOG SITUATION

C. L. Harlan, Livestock Statistician, B. A. E.

The results of the December 1 pig survey make it possible to form a judgment as to the course of hog production during 1924, and as to market supplies during the first nine months of the year.

The survey shows a distinct downward trend in swine production in the Corn Belt States from which come most of the market supplies. The fall crop of pigs in 1923 is shown as smaller than that of 1922, and for the first time since 1920 a crop is smaller than the same crop the previous year. This decrease is indicated as being about 4 per cent in pigs and 6 per cent in sows farrowed.

The sows bred for intended spring farrow in the Corn Belt in 1924 show a decrease of about 5 per cent from sows farrowed in the spring of 1923. All the previous surveys have shown that the expressed intentions run considerably larger than the subsequent performance. However, it does not necessarily follow that this will be so in the spring of 1924 since all the other surveys indicated largely increased breeding intentions and this one shows decreased intentions. It is possible that the announced results of the previous surveys tended to reduce actual farrowings.

In the rest of the country a different situation is shown. All the other groups of States, as groups, show less fall pigs raised in 1923 than in 1922, except the middle and north Atlantic, but none of these groups, as groups, show less sows bred for the spring of 1924 than for the spring of 1923. Since such a small per cent of hogs raised in these other areas goes into the commercial supply, it is not possible to check the accuracy of the pig survey results by comparison with subsequent marketings as in the Corn Belt. The effects of increased or decreased production in these areas is reflected chiefly in decreased or increased demand for pork products or live hogs from the Corn Belt supply.

In the mountain and Pacific group there seems to be a real upward swing in hog production and the agricultural situation in most of the States in this area would seem to indicate the probability of such a swing. The situation in the southern States, especially in the cotton States, is not clear. The fall crop of 1923 was smaller than in 1922 but the breeding for the coming spring shows an increase in the States where boll weevil damage was most severe. The northern border States, most of which produce a surplus of hogs, are following the Corn Belt trend. However, it does not seem probable, in view of current cotton prices, that there will be much of a shift to low priced hogs.

The total crop of 1923, spring and fall, in the Corn Belt is shown by the surveys to have been about $2\frac{1}{2}$ per cent larger than the 1922 total crop. The 1922 crop was the largest ever marketed by over 8,000,000 head, or 20 per cent, and larger still in resulting products. The inspected slaughter for the crop of 1921 was 40,850,000 head and for the 1922 crop was 51,635,000 head. The cost to killers of the 1921 crop was \$20.73 a head or a total of \$846,900,000; the cost of the 1922 crop was \$17.78 a head or a total of \$917,800,000, and the average weight was about the same both years. Allowing \$1.00 a head for marketing costs the 1921 crop brought producers around \$806,000,000 and the 1922 crop brought around \$866,000,000. The increase of 10,785,000 hogs brought producers around \$60,000,000 or \$5.57 per head, less than $2\frac{1}{2}$ cents per pound. Probably, had the 1922 crop been only as large as the 1921 crop it would have netted producers a larger gross return than did the actual crop which was 10,000,000 head larger.

The 1923 crop marketed to January 1, has brought around \$1.25 per hundred or over \$2.50 a head less than the part of the 1922 crop marketed to January 1. About 3,000,000 head more hogs of the 1923 crop were marketed to January 1 than of the 1922 crop to that date. If the survey figures of 2.5 per cent increase in the 1923 crop in the Corn Belt over the 1922 crop are dependable, this would indicate that the former was around 1,500,000 hogs larger than the latter. But since 3,000,000 head more have already been marketed the number to move during the balance of the season (January to September) would be indicated as at least 1,500,000 less than were marketed during the same period last year. The storage holdings of pork products and lard on January 1, 1924, were 140,000,000 pounds larger than on January 1, 1923, equivalent to over 800,000 head of hogs. Apparently the amount of hogs and provisions to be distributed from January to October in 1924 is only a little less than last year.

This is all predicated on the reliability of the pig surveys. They have now shown two complete Corn Belt crops. The first, which has been marketed, was indicated quite accurately, marketings to date of the second tend to prove further its accuracy. If the 1923 crop was as large as indicated it will probably bring less than the 1922 crop.

If intentions to breed in the Corn Belt are carried out, the 1924 spring crop, while less than the 1923, will be as large or larger than the 1922, and the return to normal hog production will be still in the future. Should, however, a substantial number of the sows bred by farrow be marketed prior to farrowing, as was shown by the results of previous surveys, it would appear that production was again on a normal basis.

However, should the low price of hogs and the advancing price of corn result in a heavy marketing of bred sows during January and February, the total to farrow may be reduced sufficiently to bring the coming spring crop of pigs down to somewhat near the size of the 1921 crop.

THE WOOL SITUATION

A. W. Elliott

In all primary markets of the Southern Hemisphere where the 1923-1924 clip is in the process of being moved to points of consumption, prices of all grades are very strong and prices on all grades higher than last year. Merinos 10 per cent higher; fine crossbreds (1/2 blood to high 1/4 blood) 20 per cent higher, the lower grades 30 per cent to 40 per cent higher than last year. These high prices are predicated on exhaustion of surplus of wool created during the war, and decline in production as compared with pre-war period. Apparently there has been no decline in consumption as compared with pre-war period. Hence, wool in the world's market is high in price and likely to remain so until such a time as consumption and production more nearly balance.

In United States markets, practically no kind of wool is as high in price as the high prices in the outside world plus the duty justify. Prices here are held down by comparatively poor business on the part of our manufacturers. During the 18 months ending June 30, 1923, there was undoubtedly a heavy over-production of the manufactured products of wool and it is from this over-production our own manufacturing industry is now suffering. It is believed it will take another six months of less than normal operation of machinery before demand and supply in the woolen goods markets are equalized.

Meanwhile, prices in United States markets have advanced from the low point last fall largely on account of the great strength shown in foreign wool markets and in anticipation of prices in United States markets eventually advancing to the importing point plus the duty.

(Note: Mr. Elliott is a member of the firm of Jeremiah Williams and Company of Boston, and during the war was in charge of the Wool Division of the War Industries Board.)

THE WOOL OUTLOOK

M. Staff

President National Wool Warehouse and Storage Company, Chicago

The situation in the wool markets of the world at this time presents varying pictures. All foreign markets show great activity due to continued consumption, with the result that prices have steadily advanced. In our domestic markets the situation is one of watchful waiting to see what the opening of heavyweights may bring forth in orders. This does not mean, however, that our domestic markets are dormant. Wool is being moved in increasing quantities and at steadily strengthening prices, so that we are rapidly returning to normal conditions after several months of depressing inactivity.

Apart from the unsatisfactory results following the opening of men's wear lines for the spring season of 1924, there really has been nothing to justify the pessimistic attitude of the wool trade of recent months. It is true that the competition between manufacturers and dealers during the early part of 1923 resulted in an unwarranted tonnage of imports of foreign wools which for a long time were a drag on the market, but since June 1, practically nothing has come to this country and the imports for the year will probably be only slightly in excess of 1922.

The real reason for inactive markets may be found in the fact that the memory of 1920-21 experiences is still too fresh in the minds of the American public, both manufacturing and consuming, to warrant any radical departure from ultra-conservative business policies. In former years, the domestic mills would at this time of the year carry comfortable stocks of raw wool; today they are nearer to the raw wool market than perhaps at any time in history but rather than anticipate their needs at present levels, in advance of receipt of actual orders for their products, they seem to prefer to wait until sufficient orders are actually booked to warrant their coming into the market for supplies. However, they are not unmindful that by so doing they will, in all probability, be compelled to pay more for their purchases.

Meanwhile, it is well to bear in mind that the world production of wool dropped from a yearly average of 3,335 million pounds for the five-year period ended 1913 to approximately 2,650 million pounds for 1923, that all accumulations, with the exception of a very small left-over still in the hands of BAWRA, have vanished, and that the depression which followed the abrupt deflation of 1920 played such havoc with our world flocks that the come-back must of necessity be extremely slow. Liquidation of lambs continues, and curtailment of the open range in nearly every wool producing country will seriously interfere with any effort to increase production.

The continued prosperity of the textile industry of France, Belgium, and other European countries is one of the many results of the World War. People must be fed every day in the year; a reasonable amount of pleasure must also be provided, but the demand for clothing is cumulative; we can do without a new suit this year, but next year we must buy two suits.

It has been estimated that approximately 80 per cent of the world's available wool supply has already passed out of the grower's hands. American buyers have operated sparingly in foreign countries and our supply of domestic wools will be consumed in a few months' time if our mills operate during that period on 50 per cent of normal capacity. Crossbreds are becoming increasingly scarce; the natural trend will be towards fine wools. If the opening of heavyweights brings a reasonable number of orders there may be a considerable scramble for wool during the next three months.

The dullness in the textile industry as in other industries supplying personal needs has been attributed to the absorption of the family income by the automobile industry; yet we feel that there must be available a tremendous volume of moderate family income which was formerly absorbed by the open saloon. Unseasonable weather has interfered with the normal flow of trade but inventories are admittedly low. General employment of labor and improved conditions in agriculture give assurance of the continuation of great buying power.

THE SHEEP AND WOOL SITUATION

C. E. Gibbons, Division of Livestock Marketing, B. A. E.

On the whole, the sheep industry has been in a prosperous condition throughout 1923 and, so far as present indications go, gives promise of continuing so for some time to come. Nowadays the sheep man charts his course by two points - the lamb market and the price of wool - aged sheep being largely a by-product of the industry. Both of these dominant factors appear to be working to the sheep man's advantage at the moment.

In considering the lamb market, available supplies are, of course, of vast importance. Because of a relatively heavy movement of feeder lambs back to the country early last fall there were on the first of last December 170,000 head or 3 per cent more sheep and lambs on feed than a year earlier. However, a sharp decline in prices, which late in November drove the lamb market to the lowest point of the year, brought this countryward movement almost to a stop.

During December stocker and feeder shipments of sheep and lambs from all markets amounted to only 154,373 head, the lightest movement

for any December since 1916. On the other hand movements back to the market were comparatively heavy, 1,526,000 head being marketed during the month. As a result of this evening movement there was during December a net reduction of 1,050,000 head in the number of sheep and lambs on feed, and on January 1, 1924 not only had the 3 per cent increase, which was in evidence on December 1, been wiped out, but substituted therefore was a decrease of 160,000 head or nearly 4 per cent.

Market prices responded promptly to this altered situation, the weekly average at Chicago advancing from the low point of \$11.40 during the fourth week of November to an average of \$12.94 for the second week of January this year. The \$14 lamb again appeared for the first time since last September. Thus within a space of six weeks a situation which threatened serious loss to lamb feeders was changed to one of much greater hopefulness and promise. It may be added that this resiliency which the market has recently shown augurs well for its absorptive powers and underlying strength.

For the long range view of the supply side, available data are not so specific. The estimate of numbers of sheep and lambs on farms as of January 1 this year is not available at the time of this writing. Undoubtedly some increase over a year ago will be shown. There is evidence to the effect that sheep men have been expanding their operations.

Not only has this been true of the old established producers but many new men have recently entered the industry. A considerable number of cattle men, disgusted with the unsatisfactory conditions which they have experienced for several years past, have voluntarily or otherwise gone out of that business. Quite a few of these men, attracted by the comparative prosperity of the sheep man and despite "the ancient grudge they bear them", have taken up the business of raising and handling the "wooly ones". To be sure this movement has been confined largely to the smaller operators but prejudice has always melted in the sunshine of profit, and more than one old time cow man is now casting rather longing looks toward his pet antipathy.

Turning to wool which, together with lambs constitutes the sheep man's chief source of revenue, basic conditions again appear favorable from the standpoint of the producer.

Estimated production of wool in the United States during 1923 was approximately 273 million pounds. This was only about 11 million pounds more than in 1922 and less than 1,500,000 pounds greater than in 1921. In fact with these two exceptions it was the smallest quantity of wool produced in this country since 1899.

Wool imports during 1923 amounted to approximately 394,250,000 pounds, or about 17,500,000 pounds more than came in during the preceding year. Re-exports of foreign wool, however, were nearly double those of any previous year in the history of the country and as a result net imports fell 2,300,000 pounds short of those of 1922. Furthermore exports of domestic wool showed an increase of 88,230 pounds over those of the preceding year. In other words, the American wool grower has had less competition in his home market than during 7 of the past 10 years.

World stocks of wool are undoubtedly smaller than a year ago. BAWRA, the great British holding concern, reported a substantial decrease in holdings during 1923. The same was true of most foreign wool centers. In the United States, although on June 30 last stocks of wool in the hands of dealers and manufacturers were 11 per cent greater than on the corresponding date of 1922, by September 30 such stocks had shrunk nearly 57,000,000 pounds and accordingly showed a decrease of nearly 10 per cent compared with stocks held a year earlier. During the past three or four months there has been a rather marked slowing down of activity on the part of mills, but despite that fact it will be surprising if, when figures covering stocks on hand on December 31 are available, they do not show a decrease compared with the same date in 1922.

In the matter of price the wool market has been exceptionally steady practically throughout 1923. The Boston price of $\frac{3}{8}$ blood, unwashed, Ohio and Pennsylvania, wool ranged from 52 to 57¢, the average for the year being 55¢. This was 10¢ per pound higher than for 1922. Some of the other grades showed net advances of 8 to 9¢ per pound. In most foreign markets prices have responded to reduced stocks and a fairly active demand by advancing rather sharply. It is noteworthy that re-exports of foreign wool for the year amounted to more than 24 million pounds of which over 9 million pounds went out during the last 3½ months of the year. This would seem to indicate that at least some of the foreign markets were relatively higher than our domestic market, taking into account, of course, the tariff which must be paid on imported wool.

It is also noteworthy that despite the slowing down of mill activities during the latter part of the year the wool market has remained relatively firm much of the time and price declines have been rather slight.

In conclusion it may be stated that most of the fundamental factors which control the sheep industry appear favorable to the producer. There has been some expansion but where that has occurred it has been moderate and has, as a rule, been accompanied by a certain studied air of conservatism which gives promise of avoiding, at least for the time being, the extremes of expansion and general recklessness which have brought disaster to the industry so often in the past.

Furthermore, a reasonable increase in production would seem warranted in view of the fact that on January 1, 1922 the number of sheep and lambs on farms in the United States was the smallest since 1878, and that during the following year the number increased less than 900,000 head so that on January 1, 1923, the number still remained the smallest for any corresponding date during the past 26 years, with the single exception of the low point reached in 1922.

Production costs are still comparatively high but there is reason to believe that these have passed the peak and that on the whole the intelligent producer and careful marketer may anticipate a reasonably profitable outlet for his commodity in 1924.

FURTHER NOTES ON THE WOOL SITUATION

G. T. Willingmyre, Division of Livestock Marketing, B. A. E.

While sufficient supplies of wool are available for present requirements there apparently is no surplus. Exportation of certain grades of wool held in bond during the past few months has reduced the stocks of those grades to a point where prices advanced. Stocks are only equal to reasonable reserve and without importation and at the present rate of consumption would only contribute about six or seven months requirements. Wool consumption has been at an even rate. No great fluctuation has taken place during the past seven months. This in itself is indicative of a stabilized flow and naturally has a wholesome effect upon trade.

Wool prices have remained firm and in some instances advances have taken place for some of the grades. This condition and trend of price has taken place despite the fact that purchases have been limited to light business. Throughout the latter portion of the year wool moved more steadily and although the volume was not heavy this should indicate a healthy condition. Manufacturers generally have been purchasing sanely and there is no indication of speculative buying for future needs.

All of the general economic factors are apparently favorable with World War stocks of wool reduced to a very low point. The wool disposals of the British Australian Wool Realization Association amounted to 56,470 bales during the month of December, according to a cable from Commercial Attache Walter S. Tower, London, received by the Textile Division, Bureau of Foreign and Domestic Commerce.

The total stocks on hand and afloat on December 31, 1923 amounted to only 210,680, as compared with a total of 913,260 bales at the close of the preceding year, a net reduction of 702,580 bales during the year. Of this amount 392,168 were Australian and 310,412 New Zealand.

The stocks on hand and afloat at the close of 1923 were apportioned as follows:

Australian

Merino.....	80
Crossbred combing	
Fine.....	57,000
Medium.....	30,000
Low.....	14,000
Clothing	
Fine.....	13,000
Medium.....	9,000
Low.....	5,000
Corbonizing	
Fine.....	19,000
Medium.....	12,000
Low.....	4,000
Total Australian.....	163,080

New Zealand

Merino.....	100
Crossbred	
Fine.....	500
Medium.....	13,000
Low.....	14,000
Slipes.....	13,000
Scoured.....	7,000
Total New Zealand.....	47,600

Grand Total.....210,680

All the principal consuming countries are showing continued improvement, no apparent large carry-over of stocks throughout the world. The situation looks most promising.

The deterring factors reported from commerical sources are that there exists today a supply, above normal, of finished goods in the hands of the retail establishments. However, the January price reduction sales have been held and from all accounts the retail stocks are being reduced in a satisfactory manner. Another important deterring factor is the European situation but recent activities by allied interests indicate a solution of one of the most troublesome features.

The wool textile industry always reflects the prosperity of the country as a whole. Whenever industrial activity and employment are good, bank reserves and deposits high, foreign trade satisfactory, agriculture showing improvement, it is only natural to expect a satisfactory situation in the wool industry.